

**Capital One Financial Corporation**  
**Earnings Release Fourth Quarter 2010 — Financial Supplement**  
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**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 1: Financial & Statistical Summary—Reported Basis\***

	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4
<i>(dollars in millions, except per share data and as noted) (unaudited)</i>					
<b>Earnings</b>					
Net interest income	\$ 3,023	\$ 3,109	\$ 3,097	\$ 3,228	\$ 1,954
Non-interest income <sup>(1)(2)</sup>	939	907	807	1,061 <sup>(10)</sup>	1,412
Total revenue <sup>(3)</sup>	\$ 3,962	\$ 4,016	\$ 3,904	\$ 4,289	\$ 3,366
Provision for loan and lease losses	839	867	723	1,478	844
Marketing expenses	308	250	219	180	188
Restructuring expenses <sup>(4)</sup>	-	-	-	-	32
Operating expenses <sup>(5)</sup>	1,783	1,746	1,781	1,667	1,728
Income from continuing operations before income taxes	\$ 1,032	\$ 1,153	\$ 1,181	\$ 964	\$ 574
Income tax provision	331	335	369	244	170
Income from continuing operations, net of tax	701	818	812	720	404
Loss from discontinued operations, net of tax <sup>(2)</sup>	(4)	(15)	(204)	(84)	(28)
Net income	\$ 697	\$ 803	\$ 608	\$ 636	\$ 376
Net income available to common shareholders	\$ 697	\$ 803	\$ 608	\$ 636	\$ 376
<b>Common Share Statistics</b>					
Basic EPS: <sup>(A)</sup>					
Income from continuing operations	\$ 1.55	\$ 1.81	\$ 1.79	\$ 1.59	\$ 0.90
Loss from discontinued operations	(0.01)	(0.03)	(0.45)	(0.18)	(0.07)
Net income per basic common share	\$ 1.54	\$ 1.78	\$ 1.34	\$ 1.41	\$ 0.83
Diluted EPS: <sup>(A)</sup>					
Income from continuing operations	\$ 1.53	\$ 1.79	\$ 1.78	\$ 1.58	\$ 0.89
Loss from discontinued operations	(0.01)	(0.03)	(0.45)	(0.18)	(0.06)
Net income per diluted common share	\$ 1.52	\$ 1.76	\$ 1.33	\$ 1.40	\$ 0.83
Weighted average common shares outstanding:					
Basic EPS	452.7	452.5	452.1	451.0	450.0
Diluted EPS	457.2	456.6	456.4	455.4	454.9
Common shares outstanding (period end)	452.8	452.6	452.3	451.9	450.4
Dividends per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Tangible book value per common share (period end) <sup>(B)</sup>	\$ 27.73	\$ 26.60	\$ 24.89	\$ 22.86	\$ 27.72
Stock price per common share (period end)	\$ 42.56	\$ 39.55	\$ 40.30	\$ 41.41	\$ 38.34
Total market capitalization (period end)	\$ 19,271	\$ 17,900	\$ 18,228	\$ 18,713	\$ 17,268
<b>Reported Balance Sheet Statistics (Quarterly Averages)</b>					
Average loans held for investment	\$ 125,441	\$ 126,307	\$ 128,203	\$ 134,206	\$ 94,732
Average interest-earning assets	\$ 173,991	\$ 172,473	\$ 174,650	\$ 181,881	\$ 143,663
Total average assets	\$ 197,597	\$ 196,598	\$ 199,329	\$ 207,207	\$ 169,856
Average interest-bearing deposits	\$ 106,597	\$ 104,186	\$ 104,163	\$ 104,018	\$ 101,144
Total average deposits	\$ 121,736	\$ 118,255	\$ 118,484	\$ 117,530	\$ 114,598
Average equity <sup>(D)</sup>	\$ 26,255	\$ 25,307	\$ 24,526	\$ 23,681	\$ 26,518
Return on average assets (ROA)	1.42 %	1.66 %	1.63 %	1.39 %	0.95 %
Return on average equity (ROE) <sup>(D)</sup>	10.68 %	12.93 %	13.24 %	12.16 %	6.09 %
Return on average tangible common equity <sup>(C)</sup>	22.90 %	28.95 %	30.97 %	29.98 %	13.02 %
<b>Reported Balance Sheet Statistics (Period End)</b>					
Loans held for investment	\$ 125,947	\$ 126,334	\$ 127,140	\$ 130,115	\$ 90,619
Total assets <sup>(D)</sup>	\$ 197,503	\$ 196,933	\$ 197,485	\$ 200,691	\$ 169,646
Interest-bearing deposits	\$ 107,162	\$ 104,741	\$ 103,172	\$ 104,013	\$ 102,370
Total deposits	\$ 122,210	\$ 119,212	\$ 117,331	\$ 117,787	\$ 115,809
Tangible assets <sup>(D)(E)</sup>	\$ 183,158	\$ 182,904	\$ 183,474	\$ 186,647	\$ 155,516
Tangible common equity (TCE) <sup>(D)(F)</sup>	\$ 12,558	\$ 12,037	\$ 11,259	\$ 10,330	\$ 12,483
Tier 1 risk-based capital ratio <sup>(6)</sup>	11.64 %	11.13 %	9.93 %	9.57 %	13.75 %
Tangible common equity (TCE) ratio <sup>(D)(G)</sup>	6.86 %	6.58 %	6.14 %	5.53 %	8.03 %
Tier 1 common equity ratio <sup>(7)</sup>	8.78 %	8.21 %	7.00 %	6.54 %	10.62 %
<b>Performance Statistics (Reported)</b>					
Net interest income growth (quarter over quarter) <sup>(8)</sup>	(3) %	0 %	(4) %	65 %	(3) % <sup>(5)</sup>
Non-interest income growth (quarter over quarter) <sup>(8)</sup>	4 %	12 %	(24) %	(25) %	(9) % <sup>(5)</sup>
Revenue growth (quarter over quarter) <sup>(8)</sup>	(1) %	3 %	(9) %	27 %	(5) % <sup>(5)</sup>
Net interest margin	6.95 %	7.21 %	7.09 %	7.10 %	5.44 %
Revenue margin	9.11 %	9.31 %	8.94 %	9.43 %	9.37 %
Risk-adjusted margin <sup>(H)</sup>	5.90 %	5.78 %	5.01 %	4.99 %	6.07 %
Non-interest expense as a % of average loans held for investment (annualized)	6.67 %	6.32 %	6.24 %	5.50 %	8.23 %
Efficiency ratio <sup>(I)</sup>	52.78 %	49.70 %	51.23 %	43.06 %	56.92 %
Effective income tax rate	32.1 %	29.1 %	31.2 %	25.3 %	29.6 %
Full-time equivalent employees (in thousands)	25.7	25.7	25.7	25.9	25.9
<b>Credit Quality Statistics (Reported) <sup>(8)</sup></b>					
Allowance for loan and lease losses	\$ 5,628	\$ 6,175	\$ 6,799	\$ 7,752	\$ 4,127
Allowance as a % of reported loans held for investment	4.47 %	4.89 %	5.35 %	5.96 %	4.55 %
Net charge-offs	\$ 1,394	\$ 1,522	\$ 1,717	\$ 2,018	\$ 1,185
Net charge-off rate	4.45 %	4.82 %	5.36 %	6.02 %	5.00 %
30+ day performing delinquency rate	3.60 %	3.71 %	3.81 %	4.22 %	4.13 %

\* Effective January 1, 2010, Capital One prospectively adopted two new accounting standards that resulted in the consolidation of the majority of the Company's credit card securitization trusts. The adoption of these new accounting standards resulted in the addition of approximately \$41.9 billion of assets, consisting primarily of credit card loan receivables, and a reduction of \$2.9 billion in stockholders' equity as of January 1, 2010. As the new accounting standards were adopted prospectively, prior period results have not been adjusted. See "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010." While the adoption of these new accounting standards had a significant impact on the comparability of the Company's GAAP financial results prior to and subsequent to adoption, the Company's reported GAAP results after adoption are now comparable to the prior "managed" results.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 2: Financial & Statistical Summary—Managed Basis\***

	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4
<i>(dollars in millions, except per share data and as noted) (unaudited)</i>					
<b>Earnings</b>					
Net interest income	\$ 3,023	\$ 3,109	\$ 3,097	\$ 3,228	\$ 3,170
Non-interest income <sup>(1)(2)</sup>	939	907	807	1,061 <sup>(10)</sup>	1,199
Total revenue <sup>(3)</sup>	\$ 3,962	\$ 4,016	\$ 3,904	\$ 4,289	\$ 4,369
Provision for loan and lease losses	839	867	723	1,478	1,847
Marketing expenses	308	250	219	180	188
Restructuring expenses <sup>(4)</sup>	-	-	-	-	32
Operating expenses <sup>(5)</sup>	1,783	1,746	1,781	1,667	1,728
Income from continuing operations before income taxes	\$ 1,032	\$ 1,153	\$ 1,181	\$ 964	\$ 574
Income tax provision	331	335	369	244	170
Income from continuing operations, net of tax	\$ 701	\$ 818	\$ 812	\$ 720	\$ 404
Loss from discontinued operations, net of tax <sup>(2)</sup>	\$ (4)	\$ (15)	\$ (204)	\$ (84)	\$ (28)
Net income	\$ 697	\$ 803	\$ 608	\$ 636	\$ 376
Net income available to common shareholders	\$ 697	\$ 803	\$ 608	\$ 636	\$ 376
<b>Common Share Statistics</b>					
Basic EPS: <sup>(A)</sup>					
Income from continuing operations	\$ 1.55	\$ 1.81	\$ 1.79	\$ 1.59	\$ 0.90
Loss from discontinued operations	(0.01)	(0.03)	(0.45)	(0.18)	(0.07)
Net income per basic common share	\$ 1.54	\$ 1.78	\$ 1.34	\$ 1.41	\$ 0.83
Diluted EPS: <sup>(A)</sup>					
Income from continuing operations	\$ 1.53	\$ 1.79	\$ 1.78	\$ 1.58	\$ 0.89
Loss from discontinued operations	(0.01)	(0.03)	(0.45)	(0.18)	(0.06)
Net income per diluted common share	\$ 1.52	\$ 1.76	\$ 1.33	\$ 1.40	\$ 0.83
Weighted average common shares outstanding:					
Basic EPS	452.7	452.5	452.1	451.0	450.0
Diluted EPS	457.2	456.6	456.4	455.4	454.9
Common shares outstanding (period end)	452.8	452.6	452.3	451.9	450.4
Dividends per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Tangible book value per common share (period end) <sup>(B)</sup>	\$ 27.73	\$ 26.60	\$ 24.89	\$ 22.86	\$ 27.72
Stock price per common share (period end)	\$ 42.56	\$ 39.55	\$ 40.30	\$ 41.41	\$ 38.34
Total market capitalization (period end)	\$ 19,271	\$ 17,900	\$ 18,228	\$ 18,713	\$ 17,268
<b>Managed Balance Sheet Statistics (Quarterly Averages)</b>					
Average loans held for investment	\$ 125,441	\$ 126,391	\$ 128,335	\$ 134,379	\$ 138,184
Average interest-earning assets	\$ 173,991	\$ 172,557	\$ 174,782	\$ 182,054	\$ 183,899
Total average assets	\$ 197,597	\$ 196,598	\$ 199,329	\$ 207,207	\$ 210,425
Average interest-bearing deposits	\$ 106,597	\$ 104,186	\$ 104,163	\$ 104,018	\$ 101,144
Total average deposits	\$ 121,736	\$ 118,255	\$ 118,484	\$ 117,530	\$ 114,598
Average equity <sup>(D)</sup>	\$ 26,255	\$ 25,307	\$ 24,526	\$ 23,681	\$ 26,518
Return on average assets (ROA)	1.42 %	1.66 %	1.63 %	1.39 %	0.77 %
Return on average equity (ROE) <sup>(D)</sup>	10.68 %	12.93 %	13.24 %	12.16 %	6.09 %
Return on average tangible common equity <sup>(C)</sup>	22.90 %	28.95 %	30.97 %	29.98 %	13.02 %
<b>Managed Balance Sheet Statistics (Period End)</b>					
Loans held for investment	\$ 125,947	\$ 126,334	\$ 127,255	\$ 130,265	\$ 136,803
Total assets <sup>(D)</sup>	\$ 197,503	\$ 196,933	\$ 197,485	\$ 200,691	\$ 212,389
Interest-bearing deposits	\$ 107,162	\$ 104,741	\$ 103,172	\$ 104,013	\$ 102,370
Total deposits	\$ 122,210	\$ 119,212	\$ 117,331	\$ 117,787	\$ 115,809
Tangible assets <sup>(D)(E)</sup>	\$ 183,158	\$ 182,904	\$ 183,474	\$ 186,647	\$ 198,283
Tangible common equity (TCE) <sup>(D)(F)</sup>	\$ 12,558	\$ 12,037	\$ 11,259	\$ 10,330	\$ 12,483
Tangible common equity (TCE) ratio <sup>(D)(G)</sup>	6.86 %	6.58 %	6.14 %	5.53 %	6.30 %
<b>Performance Statistics (Managed)</b>					
Net interest income growth (quarter over quarter) <sup>(8)</sup>	(3) %	0 %	(4) %	2 %	(1) % <sup>(5)</sup>
Non-interest income growth (quarter over quarter) <sup>(8)</sup>	4 %	12 %	(24) %	(12) %	(13) % <sup>(5)</sup>
Revenue growth (quarter over quarter) <sup>(8)</sup>	(1) %	3 %	(9) %	(2) %	(5) % <sup>(5)</sup>
Net interest margin	6.95 %	7.21 %	7.09 %	7.09 %	6.90 %
Revenue margin	9.11 %	9.31 %	8.93 %	9.42 %	9.50 %
Risk-adjusted margin <sup>(H)</sup>	5.90 %	5.78 %	5.01 %	4.99 %	4.74 %
Non-interest expense as a % of average loans held for investment (annualized)	6.67 %	6.32 %	6.23 %	5.50 %	5.64 %
Efficiency ratio <sup>(I)</sup>	52.78 %	49.70 %	51.23 %	43.06 %	43.85 %
Effective income tax rate	32.1 %	29.1 %	31.2 %	25.3 %	29.6 %
Full-time equivalent employees (in thousands)	25.7	25.7	25.7	25.9	25.9
<b>Credit Quality Statistics (Managed) <sup>(9)</sup></b>					
Net charge-offs	\$ 1,394	\$ 1,522	\$ 1,717	\$ 2,018	\$ 2,188
Net charge-off rate	4.45 %	4.82 %	5.35 %	6.01 %	6.33 %
30+ day performing delinquency rate	3.60 %	3.71 %	3.81 %	4.22 %	4.73 %

\*Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the Company and each of its lines of business results on a "managed" basis, which is a non-GAAP measure. With the adoption of the new consolidation accounting standards, the Company's reported results are comparable to the "managed" basis, which reflect the consolidation of the majority of the Company's credit card securitization trusts. The accompanying "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported GAAP results for periods prior to January 1, 2010. See the accompanying schedule "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010" for additional information on the impact from the new accounting standards.

## CAPITAL ONE FINANCIAL CORPORATION (COF)

**Table 3: Notes to Financial & Statistical Summaries (Tables 1 and 2)**

- (1) Includes the impact from the change in fair value of retained interests, including the interest-only strips, which totaled \$8 million in Q4 2010, \$6 million in Q3 2010, \$17 million in Q2 2010, \$(36) million in Q1 2010 and \$55 million in Q4 2009.
- (2) The Company's mortgage representation and warranty reserve decreased to \$816 million as of December 31, 2010, from \$836 million as of September 30, 2010. The decrease in the reserve reflected a negative provision for repurchase losses of \$(7) million in Q4 2010, compared with a provision for repurchase losses of \$16 million, \$404 million, \$224 million and \$47 million in Q3 2010, Q2 2010, Q1 2010 and Q4 2009, respectively. The majority of the provision for repurchase losses is recorded in discontinued operations, with the remaining portion recorded in non-interest income.
- (3) In accordance with the Company's finance charge and fee revenue recognition policy, amounts billed but not included in revenue totaled: \$144 million in Q4 2010, \$190 million in Q3 2010, \$261 million in Q2 2010, \$354 million in Q1 2010 and \$490 million in Q4 2009.
- (4) In 2009, the Company completed its restructuring initiative that was initiated in 2007.
- (5) Includes core deposit intangible amortization expense of \$51 million in Q4 2010, \$50 million in Q3 2010, \$50 million in Q2 2010, \$52 million in Q1 2010 and \$54 million in Q4 2009 and integration costs of \$15 million in Q4 2010, \$27 million in Q3 2010, \$22 million in Q2 2010, \$17 million in Q1 2010 and \$22 million in Q4 2009.
- (6) Tier 1 risk-based capital ratio is a regulatory measure calculated based on Tier 1 capital divided by risk-weighted assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (7) Tier 1 common equity ratio is a non-GAAP measure calculated based on Tier 1 common equity divided by risk-weighted assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (8) Prior period amounts have been reclassified to conform with the current period presentation and adjusted to reflect purchase accounting refinements related to the acquisition of Chevy Chase Bank, FSB ("CCB").
- (9) The credit quality statistics excluding the impact of loans acquired from Chevy Chase Bank (CCB) are as follows.

<i>(dollars in millions) (unaudited)</i>	2010	2010	2010	2010	2009
	Q4	Q3	Q2	Q1	Q4
CCB period end acquired loan portfolio	\$ 5,532	\$ 5,891	\$ 6,381	\$ 6,799	\$ 7,251
CCB average acquired loan portfolio	\$ 5,633	\$ 6,014	\$ 6,541	\$ 7,037	\$ 7,512
Allowance as a % of loans held for investment, excluding CCB	4.67%	5.12%	5.63%	6.29%	4.95%
Net charge-off rate (Reported), excluding CCB	4.65%	5.06%	5.64%	6.35%	5.44%
Net charge-off rate (Managed), excluding CCB	4.65%	5.06%	5.64%	6.35%	6.70%
30+ day performing delinquency rate (Reported), excluding CCB	3.76%	3.89%	4.01%	4.46%	4.49%
30+ day performing delinquency rate (Managed), excluding CCB	3.76%	3.89%	4.01%	4.46%	4.99%

- (10) During Q1 2010, certain mortgage trusts were deconsolidated based on the sale of interest-only bonds associated with the trusts. The net effect of the deconsolidation resulted in \$128 million of income which is included in non-interest income.

### **Statistical/Metric Calculations**

- (A) Calculated based on net income (loss) available to common shareholders.
- (B) Calculated based on tangible common equity divided by common shares outstanding, which is a non-GAAP measure. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (C) Calculated based on income from continuing operations divided by average tangible common equity, which is a non-GAAP measure. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (D) Calculated based on continuing operations, except for average equity and return on average equity (ROE), which are based on average stockholders' equity.
- (E) Non-GAAP measure consisting of reported or managed assets less intangible assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (F) See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (G) Tangible common equity ratio ("TCE ratio") is a non-GAAP measure calculated based on tangible common equity divided by tangible assets. See "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" for the calculation components.
- (H) Calculated based on total revenue less net charge-offs divided by average earning assets.
- (I) Calculated based on non-interest expense less restructuring expense divided by total revenue.

## CAPITAL ONE FINANCIAL CORPORATION (COF)

### Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010

#### Consolidation Impact

(dollars in millions)(unaudited)

	January 1, 2010	Consolidation Impact	December 31, 2009
<b>Assets:</b>			
Cash and due from banks	\$ 12,683	\$ 3,998	\$ 8,685
Loans held for investment	138,184	47,565	90,619
Allowance for loan and lease losses	(8,391)	(4,264) <sup>(2)</sup>	(4,127)
Net loans held for investment	129,793	43,301	86,492
Accounts receivable from securitizations	166	(7,463)	7,629
Other assets	68,869 <sup>(1)</sup>	2,029	66,840
Total assets	<u>\$ 211,511</u>	<u>\$ 41,865</u>	<u>\$ 169,646</u>
<b>Liabilities:</b>			
Securitized debt	48,300	44,346	3,954
Other liabilities	139,561	458	139,103
Total liabilities	187,861	44,804	143,057
<b>Stockholders' equity</b>			
Total liabilities and stockholders' equity	<u>\$ 211,511</u>	<u>\$ 41,865</u>	<u>\$ 169,646</u>

#### Allocation of the Allowance by Segment

(dollars in millions)(unaudited)

	January 1, 2010	Consolidation Impact	December 31, 2009
<b>Credit card:</b>			
Domestic credit card	\$ 5,590	\$ 3,663 <sup>(2)</sup>	\$ 1,927
International credit card	727	528	199
Total credit card	<u>6,317</u>	<u>4,191</u>	<u>2,126</u>
<b>Consumer banking:</b>			
Automobile	665	-	665
Home loan (includes all new CCB originations)	248	73 <sup>(3)</sup>	175
Other retail	236	-	236
Total consumer banking	<u>1,149</u>	<u>73</u>	<u>1,076</u>
<b>Commercial banking:</b>			
Commercial and multi-family real estate	471	-	471
Middle market	131	-	131
Specialty lending	90	-	90
Total commercial lending	692	-	692
Small-ticket commercial real estate	93	-	93
Total commercial banking	<u>785</u>	<u>-</u>	<u>785</u>
Other	140	-	140
Total company	<u>\$ 8,391</u>	<u>\$ 4,264</u>	<u>\$ 4,127</u>

(1) Other assets includes a deferred tax asset of \$3.9 billion as of January 1, 2010. Of this amount, \$1.6 billion relates to the impact from the January 1, 2010 adoption of the new consolidation accounting standards.

(2) In the second quarter of 2010, an adjustment was made to reduce retained earnings and the allowance for loan and lease losses by \$34 million. These adjustments, which related to the impairment of consolidated loans accounted for as troubled debt restructurings, are not reflected in the above table.

(3) \$73 million of the reduction in the allowance in the first quarter of 2010 was related to the deconsolidation of certain mortgage trusts. The offset to the reduction in the allowance was recorded in non-interest income.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 5: Consolidated Statements of Income**

	Three Months Ended			Year Ended December 31,	
	December 31, 2010	September 30, 2010	December 31, 2009 <sup>(1)</sup>	2010	2009 <sup>(1)</sup>
<i>(dollars in millions, except per share data) (unaudited)</i>					
<b>Interest income:</b>					
Loans held for investment, including past-due fees	\$ 3,352	\$ 3,447	\$ 2,108	\$ 13,934	\$ 8,757
Investment securities	305	347	404	1,342	1,610
Other	17	21	83	77	297
Total interest income	3,674	3,815	2,595	15,353	10,664
<b>Interest expense:</b>					
Deposits	340	358	427	1,465	2,093
Securitized debt	165	191	54	809	282
Senior and subordinated notes	65	72	71	276	260
Other borrowings	81	85	89	346	332
Total interest expense	651	706	641	2,896	2,967
<b>Net interest income</b>					
Provision for loan and lease losses	3,023	3,109	1,954	12,457	7,697
Net interest income after provision for loan and lease losses	839	867	844	3,907	4,230
<b>Non-interest income:</b>					
Servicing and securitizations	12	13	743	7	2,280
Service charges and other customer-related fees	496	496	503	2,073	1,997
Interchange	350	346	112	1,340	502
Net other-than-temporary impairment losses recognized in earnings	(3)	(5)	(10)	(62)	(32)
Other	84	57	64	356	539
Total non-interest income	939	907	1,412	3,714	5,286
<b>Non-interest expense:</b>					
Salaries and associate benefits	657	641	641	2,594	2,478
Marketing	308	250	188	958	588
Communications and data processing	182	178	171	693	740
Supplies and equipment	139	129	130	520	500
Occupancy	114	135	122	486	451
Restructuring expense <sup>(2)</sup>	-	-	32	-	119
Other	691	663	664	2,683	2,541
Total non-interest expense	2,091	1,996	1,948	7,934	7,417
Income from continuing operations before income taxes	1,032	1,153	574	4,330	1,336
Income tax provision	331	335	170	1,280	349
Income from continuing operations, net of tax	701	818	404	3,050	987
Loss from discontinued operations, net of tax	(4)	(15)	(28)	(307)	(103)
Net income	\$ 697	\$ 803	\$ 376	\$ 2,743	\$ 884
Preferred stock dividends	-	-	-	-	(564)
Net income available to common shareholders	\$ 697	\$ 803	\$ 376	\$ 2,743	\$ 320
<b>Basic earnings per common share:</b>					
Income from continuing operations	\$ 1.55	\$ 1.81	\$ 0.90	\$ 6.74	\$ 0.99
Loss from discontinued operations	(0.01)	(0.03)	(0.07)	(0.67)	(0.24)
Net income per common share	\$ 1.54	\$ 1.78	\$ 0.83	\$ 6.07	\$ 0.75
<b>Diluted earnings per common share:</b>					
Income from continuing operations	\$ 1.53	\$ 1.79	\$ 0.89	\$ 6.68	\$ 0.98
Loss from discontinued operations	(0.01)	(0.03)	(0.06)	(0.67)	(0.24)
Net income per common share	\$ 1.52	\$ 1.76	\$ 0.83	\$ 6.01	\$ 0.74
<b>Weighted average common shares outstanding (in millions):</b>					
Basic EPS	452.7	452.5	450.0	452.1	428.1
Diluted EPS	457.2	456.6	454.9	456.4	431.4
Dividends per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.53

(1) Certain prior period amounts have been reclassified to conform to the current period presentation.

(2) In 2009, the Company completed its restructuring initiative that was initiated in 2007.

# CAPITAL ONE FINANCIAL CORPORATION (COF)

## Table 6: Consolidated Balance Sheets

<i>(dollars in millions)(unaudited)</i>	<b>December 31, 2010</b>	<b>September 30, 2010</b>	<b>December 31, 2009 <sup>(1)</sup></b>
<b>Assets:</b>			
Cash and due from banks	\$ 2,067	\$ 2,015	\$ 3,100
Interest-bearing deposits with banks	2,776	2,391	5,043
Federal funds sold and repurchase agreements	406	536	542
Cash and cash equivalents	5,249	4,942	8,685
Restricted cash for securitization investors	1,602	2,686	501
Investment in securities:			
Available for sale, at fair value	41,537	39,926	38,830
Held to maturity, at amortized cost	-	-	80
Total investment in securities	41,537	39,926	38,910
Loans held for investment:			
Unsecuritized loans held for investment, at amortized cost	71,921	74,719	75,097
Restricted loans for securitization investors	54,026	51,615	15,522
Total loans held for investment	125,947	126,334	90,619
Less: Allowance for loan and lease losses	(5,628)	(6,175)	(4,127)
Net loans held for investment	120,319	120,159	86,492
Loans held for sale, at lower-of-cost-or-fair-value	228	197	268
Accounts receivable from securitizations	118	127	7,128
Premises and equipment, net	2,749	2,722	2,736
Interest receivable	1,070	1,025	936
Goodwill	13,591	13,593	13,596
Other	11,040	11,556	10,394
Total assets	<u>\$ 197,503</u>	<u>\$ 196,933</u>	<u>\$ 169,646</u>
<b>Liabilities:</b>			
Interest payable	\$ 488	\$ 464	\$ 509
Customer deposits:			
Non-interest bearing deposits	15,048	14,471	13,439
Interest-bearing deposits	107,162	104,741	102,370
Total customer deposits	122,210	119,212	115,809
Securitized debt obligations	26,915	29,504	3,954
Other debt:			
Federal funds purchased and securities loaned or sold under agreements to repurchase	1,517	947	1,140
Senior and subordinated notes	8,650	9,083	9,045
Other borrowings	4,714	4,799	6,875
Total other debt	14,881	14,829	17,060
Other liabilities	6,468	6,863	5,725
Total liabilities	<u>170,962</u>	<u>170,872</u>	<u>143,057</u>
<b>Stockholders' equity:</b>			
Common stock	5	5	5
Paid-in capital, net	19,084	19,059	18,955
Retained earnings and accumulated other comprehensive income	10,654	10,199	10,809
Less: Treasury stock, at cost	(3,202)	(3,202)	(3,180)
Total stockholders' equity	<u>26,541</u>	<u>26,061</u>	<u>26,589</u>
Total liabilities and stockholders' equity	<u>\$ 197,503</u>	<u>\$ 196,933</u>	<u>\$ 169,646</u>

(1) Certain prior period amounts have been reclassified to conform to the current period presentation.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**
**Table 7: Average Balances, Net Interest Income and Net Interest Margin — Reported and Managed Basis<sup>(1)</sup>**

	Reported Basis								
	Quarter Ended 12/31/10			Quarter Ended 09/30/10			Quarter Ended 12/31/09 <sup>(3)</sup>		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
<i>(dollars in millions)(unaudited,</i>									
<b>Interest-earning assets:</b>									
Loans held for investment	\$ 125,441	\$ 3,352	10.69%	\$ 126,307	\$ 3,447	10.92%	\$ 94,732	\$ 2,108	8.90%
Investment securities <sup>(2)</sup>	41,004	305	2.98%	39,872	347	3.48%	38,487	404	4.20%
Other	7,546	17	0.90%	6,294	21	1.33%	10,444	83	3.18%
Total interest-earning assets	<u>\$ 173,991</u>	<u>\$ 3,674</u>	<u>8.45%</u>	<u>\$ 172,473</u>	<u>\$ 3,815</u>	<u>8.85%</u>	<u>\$ 143,663</u>	<u>\$ 2,595</u>	<u>7.23%</u>
<b>Interest-bearing liabilities:</b>									
Interest-bearing deposits									
NOW accounts	\$ 12,918	\$ 8	0.25%	\$ 11,333	\$ 10	0.35%	\$ 10,588	\$ 14	0.53%
Money market deposit accounts	43,822	110	1.00%	43,260	104	0.96%	37,460	97	1.04%
Savings accounts	25,121	54	0.86%	22,572	49	0.87%	15,416	35	0.91%
Other consumer time deposits	16,941	112	2.64%	18,726	133	2.84%	27,273	201	2.95%
Public fund CD's of \$100,000 or more	204	1	1.96%	220	1	1.82%	754	2	1.06%
CD's of \$100,000 or more	6,696	54	3.23%	7,256	59	3.25%	8,634	77	3.57%
Foreign time deposits	895	1	0.45%	819	2	0.98%	1,019	1	0.39%
Total interest-bearing deposits	<u>\$ 106,597</u>	<u>\$ 340</u>	<u>1.28%</u>	<u>\$ 104,186</u>	<u>\$ 358</u>	<u>1.37%</u>	<u>\$ 101,144</u>	<u>\$ 427</u>	<u>1.69%</u>
Senior and subordinated notes	8,096	65	3.21%	8,677	72	3.32%	8,759	71	3.24%
Other borrowings	6,622	81	4.89%	6,483	85	5.24%	9,908	89	3.59%
Securitization debt obligations	27,708	165	2.38%	30,750	191	2.48%	4,249	54	5.08%
Total interest-bearing liabilities	<u>\$ 149,023</u>	<u>\$ 651</u>	<u>1.75%</u>	<u>\$ 150,096</u>	<u>\$ 706</u>	<u>1.88%</u>	<u>\$ 124,060</u>	<u>\$ 641</u>	<u>2.07%</u>
Net interest income/spread		<u>\$ 3,023</u>	<u>6.70%</u>		<u>\$ 3,109</u>	<u>6.97%</u>		<u>\$ 1,954</u>	<u>5.16%</u>
Interest income to average interest-earning assets			8.45%			8.85%			7.23%
Interest expense to average interest-earning assets			1.50%			1.64%			1.79%
Net interest margin			<u>6.95%</u>			<u>7.21%</u>			<u>5.44%</u>
<b>Managed Basis</b>									
	Quarter Ended 12/31/10			Quarter Ended 09/30/10			Quarter Ended 12/31/09		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
<b>Interest-earning assets:</b>									
Loans held for investment	\$ 125,441	\$ 3,352	10.69%	\$ 126,391	\$ 3,447	10.91%	\$ 138,184	\$ 3,637	10.53%
Investment securities <sup>(2)</sup>	41,004	305	2.98%	39,872	347	3.48%	38,487	404	4.20%
Other	7,546	17	0.90%	6,294	21	1.33%	7,228	17	0.94%
Total interest-earning assets	<u>\$ 173,991</u>	<u>\$ 3,674</u>	<u>8.45%</u>	<u>\$ 172,557</u>	<u>\$ 3,815</u>	<u>8.84%</u>	<u>\$ 183,899</u>	<u>\$ 4,058</u>	<u>8.83%</u>
<b>Interest-bearing liabilities:</b>									
Interest-bearing deposits									
NOW accounts	\$ 12,918	\$ 8	0.25%	\$ 11,333	\$ 10	0.35%	\$ 10,588	\$ 14	0.53%
Money market deposit accounts	43,822	110	1.00%	43,260	104	0.96%	37,460	97	1.04%
Savings accounts	25,121	54	0.86%	22,572	49	0.87%	15,416	35	0.91%
Other consumer time deposits	16,941	112	2.64%	18,726	133	2.84%	27,273	201	2.95%
Public fund CD's of \$100,000 or more	204	1	1.96%	220	1	1.82%	754	2	1.06%
CD's of \$100,000 or more	6,696	54	3.23%	7,256	59	3.25%	8,634	77	3.57%
Foreign time deposits	895	1	0.45%	819	2	0.98%	1,019	1	0.39%
Total interest-bearing deposits	<u>\$ 106,597</u>	<u>\$ 340</u>	<u>1.28%</u>	<u>\$ 104,186</u>	<u>\$ 358</u>	<u>1.37%</u>	<u>\$ 101,144</u>	<u>\$ 427</u>	<u>1.69%</u>
Senior and subordinated notes	8,096	65	3.21%	8,677	72	3.32%	8,759	71	3.24%
Other borrowings	6,622	81	4.89%	6,483	85	5.24%	9,908	89	3.59%
Securitization debt obligations	27,708	165	2.38%	30,750	191	2.48%	44,837	301	2.69%
Total interest-bearing liabilities	<u>\$ 149,023</u>	<u>\$ 651</u>	<u>1.75%</u>	<u>\$ 150,096</u>	<u>\$ 706</u>	<u>1.88%</u>	<u>\$ 164,648</u>	<u>\$ 888</u>	<u>2.16%</u>
Net interest income/spread		<u>\$ 3,023</u>	<u>6.70%</u>		<u>\$ 3,109</u>	<u>6.96%</u>		<u>\$ 3,170</u>	<u>6.67%</u>
Interest income to average interest-earning assets			8.45%			8.84%			8.83%
Interest expense to average interest-earning assets			1.50%			1.64%			1.93%
Net interest margin			<u>6.95%</u>			<u>7.21%</u>			<u>6.90%</u>

(1) Reflects amounts based on continuing operations.

(2) Consists of available-for-sale and held-to-maturity securities.

(3) Certain prior period amounts have been reclassified to conform to the current period presentation.

\*Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the Company and each of its lines of business results on a "managed" basis, which is a non-GAAP measure. With the adoption of the new consolidation accounting standards, the Company's reported results are comparable to the "managed" basis, which reflect the consolidation of the majority of the Company's credit card securitization trusts. The accompanying "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported GAAP results for periods prior to January 1, 2010. See the accompanying schedule "Table 4: Impact from Adoption of New Consolidation Accounting Guidance January 1, 2010" for additional information on the impact from the new accounting standards.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 8: Lending Information and Statistics<sup>(1)</sup>**

<i>(dollars in millions)(unaudited)</i>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>
<b>Period-end loans held for investment</b>					
Credit card:					
Domestic credit card	\$ 53,849	\$ 53,839	\$ 54,628	\$ 56,228	\$ 60,300
International credit card	7,522	7,487	7,269	7,578	8,224
Total credit card	<u>61,371</u>	<u>61,326</u>	<u>61,897</u>	<u>63,806</u>	<u>68,524</u>
Consumer banking:					
Automobile	17,867	17,643	17,221	17,446	18,186
Home loan	12,103	12,763	13,322	13,967	14,893
Retail banking	4,413	4,591	4,770	4,970	5,135
Total consumer banking	<u>34,383</u>	<u>34,997</u>	<u>35,313</u>	<u>36,383</u>	<u>38,214</u>
Commercial banking:					
Commercial and multifamily real estate	13,396	13,383	13,580	13,618	13,843
Middle market	10,484	10,456	10,203	10,310	10,062
Specialty lending	4,020	3,813	3,815	3,619	3,555
Total commercial lending	<u>27,900</u>	<u>27,652</u>	<u>27,598</u>	<u>27,547</u>	<u>27,460</u>
Small-ticket commercial real estate	1,842	1,890	1,977	2,065	2,153 <sup>(7)</sup>
Total commercial banking	<u>29,742</u>	<u>29,542</u>	<u>29,575</u>	<u>29,612</u>	<u>29,613</u>
Other loans <sup>(2)</sup>	451	469	470	464	452
Total	<u>\$ 125,947</u>	<u>\$ 126,334</u>	<u>\$ 127,255</u>	<u>\$ 130,265</u>	<u>\$ 136,803</u>
<b>Average loans held for investment</b>					
Credit card:					
Domestic credit card	\$ 53,189	\$ 54,049	\$ 55,252	\$ 58,108	\$ 60,443
International credit card	7,419	7,342	7,427	7,814	8,300
Total credit card	<u>60,608</u>	<u>61,391</u>	<u>62,679</u>	<u>65,922</u>	<u>68,743</u>
Consumer banking:					
Automobile	17,763	17,397	17,276	17,769	18,768
Home loan	12,522	13,024	13,573	15,434	15,170
Retail banking	4,466	4,669	4,811	5,042	5,176
Total consumer banking	<u>34,751</u>	<u>35,090</u>	<u>35,660</u>	<u>38,245</u>	<u>39,114</u>
Commercial banking:					
Commercial and multifamily real estate	13,323	13,411	13,543	13,716	13,926
Middle market	10,460	10,352	10,276	10,324	10,052
Specialty lending	3,947	3,715	3,654	3,609	3,535
Total commercial lending	<u>27,730</u>	<u>27,478</u>	<u>27,473</u>	<u>27,649</u>	<u>27,513</u>
Small-ticket commercial real estate	1,887	1,957	2,060	2,074	2,354
Total commercial banking	<u>29,617</u>	<u>29,435</u>	<u>29,533</u>	<u>29,723</u>	<u>29,867</u>
Other loans <sup>(2)</sup>	465	475	463	489	460
Total	<u>\$ 125,441</u>	<u>\$ 126,391</u>	<u>\$ 128,335</u>	<u>\$ 134,379</u>	<u>\$ 138,184</u>
<b>Net charge-off rates</b>					
Credit card:					
Domestic credit card	7.28%	8.23%	9.49%	10.48%	9.59%
International credit card	6.68%	7.60%	8.38%	8.83%	9.52%
Total credit card	<u>7.21%</u>	<u>8.16%</u>	<u>9.36%</u>	<u>10.29%</u>	<u>9.58%</u>
Consumer banking:					
Automobile	2.65%	2.71%	2.09%	2.97%	4.55%
Home loan <sup>(3)</sup>	0.89%	0.41%	0.46%	0.94%	0.72%
Retail banking <sup>(3)</sup>	2.40%	2.20%	2.11%	2.11%	2.93%
Total consumer banking <sup>(3)</sup>	<u>1.98%</u>	<u>1.79%</u>	<u>1.47%</u>	<u>2.03%</u>	<u>2.85%</u>
Commercial banking:					
Commercial and multifamily real estate <sup>(3)</sup>	1.15%	1.78%	1.17%	1.45%	3.02%
Middle market <sup>(3)</sup>	0.94%	0.43%	0.78%	0.82%	0.75%
Specialty lending	0.63%	0.64%	0.87%	0.90%	1.85%
Total commercial lending <sup>(3)</sup>	<u>1.00%</u>	<u>1.11%</u>	<u>0.98%</u>	<u>1.14%</u>	<u>2.04%</u>
Small-ticket commercial real estate	7.72%	3.48%	4.21%	4.43%	13.08% <sup>(7)</sup>
Total commercial banking <sup>(3)</sup>	<u>1.43%</u>	<u>1.27%</u>	<u>1.21%</u>	<u>1.37%</u>	<u>2.91%</u>
Other loans	21.11%	17.63%	27.95%	18.82%	28.25%
Total	<u>4.45%</u>	<u>4.82%</u>	<u>5.35%</u>	<u>6.01%</u>	<u>6.33%</u>
<b>30+ day performing delinquency rates</b>					
Credit card:					
Domestic credit card	4.09%	4.53%	4.79%	5.30%	5.78%
International credit card	5.75%	5.84%	6.03%	6.39%	6.55%
Total credit card	<u>4.29%</u>	<u>4.69%</u>	<u>4.94%</u>	<u>5.43%</u>	<u>5.88%</u>
Consumer banking:					
Automobile	8.14%	7.95%	7.74%	7.58%	10.03%
Home loan <sup>(3)</sup>	0.64%	0.69%	0.68%	0.93%	1.26%
Retail banking <sup>(3)</sup>	0.93%	1.08%	0.87%	1.02%	1.23%
Total consumer banking <sup>(3)</sup>	<u>4.57%</u>	<u>4.40%</u>	<u>4.15%</u>	<u>4.13%</u>	<u>5.43%</u>
<b>Nonperforming asset rates<sup>(6) (6)</sup></b>					
Consumer banking:					
Automobile <sup>(4)</sup>	0.64%	0.60%	0.56%	0.55%	0.92%
Home loan <sup>(3)</sup>	4.25%	4.09%	3.78%	3.17%	2.24%
Retail banking <sup>(3)</sup>	2.66%	2.41%	2.25%	2.07%	2.11%
Total consumer banking <sup>(3)</sup>	<u>2.17%</u>	<u>2.11%</u>	<u>2.00%</u>	<u>1.76%</u>	<u>1.60%</u>
Commercial banking:					
Commercial and multifamily real estate <sup>(3)</sup>	2.23%	2.44%	2.82%	3.65%	3.25%
Middle market <sup>(3)</sup>	1.33%	1.36%	1.20%	1.15%	1.09%
Specialty lending	1.30%	1.75%	1.94%	2.18%	2.25%
Total commercial lending <sup>(3)</sup>	<u>1.76%</u>	<u>1.94%</u>	<u>2.10%</u>	<u>2.52%</u>	<u>2.33%</u>
Small-ticket commercial real estate	2.38%	2.04%	3.57%	4.18%	4.87% <sup>(7)</sup>
Total commercial banking <sup>(3)</sup>	<u>1.80%</u>	<u>1.94%</u>	<u>2.20%</u>	<u>2.64%</u>	<u>2.52%</u>

# CAPITAL ONE FINANCIAL CORPORATION (COF)

## Table 9: Credit Card Segment Financial & Statistical Summary<sup>(1)</sup>

<i>(dollars in millions) (unaudited)</i>	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4
<b>Credit Card</b>					
<b>Earnings:</b>					
Net interest income	\$ 1,870	\$ 1,934	\$ 1,977	\$ 2,113	\$ 2,029
Non-interest income	672	671	659	718	897
Total revenue	\$ 2,542	\$ 2,605	\$ 2,636	\$ 2,831	\$ 2,926
Provision for loan and lease losses	589	660	765	1,175	1,204
Non-interest expense	1,056	978	1,002	914	943
Income from continuing operations before taxes	897	967	869	742	779
Income tax provision	311	336	301	253	269
Income from continuing operations, net of tax	\$ 586	\$ 631	\$ 568	\$ 489	\$ 510
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 61,371	\$ 61,326	\$ 61,897	\$ 63,806	\$ 68,524
Average loans held for investment	\$ 60,608	\$ 61,391	\$ 62,679	\$ 65,922	\$ 68,743
Loans held for investment yield	13.97%	14.27%	14.24%	14.88%	14.21%
Revenue margin	16.78%	16.97%	16.82%	17.18%	17.03%
Net charge-off rate	7.21%	8.16%	9.36%	10.29%	9.58%
30+ day performing delinquency rate	4.29%	4.69%	4.94%	5.43%	5.88%
Purchase volume <sup>(8)</sup>	\$ 29,379	\$ 27,039	\$ 26,570	\$ 23,924	\$ 26,866
<b>Domestic Card</b>					
<b>Earnings:</b>					
Net interest income	\$ 1,621	\$ 1,691	\$ 1,735	\$ 1,865	\$ 1,781
Non-interest income	594	575	560	618	794
Total revenue	\$ 2,215	\$ 2,266	\$ 2,295	\$ 2,483	\$ 2,575
Provision for loan and lease losses	505	577	675	1,096	1,033
Non-interest expense	935	844	869	809	833
Income from continuing operations before taxes	775	845	751	578	709
Income tax provision	276	301	268	206	248
Income from continuing operations, net of tax	\$ 499	\$ 544	\$ 483	\$ 372	\$ 461
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 53,849	\$ 53,839	\$ 54,628	\$ 56,228	\$ 60,300
Average loans held for investment	\$ 53,189	\$ 54,049	\$ 55,252	\$ 58,108	\$ 60,443
Loans held for investment yield	13.57%	13.95%	13.98%	14.78%	14.08%
Revenue margin	16.66%	16.77%	16.61%	17.09%	17.04%
Net charge-off rate	7.28%	8.23%	9.49%	10.48%	9.59%
30+ day performing delinquency rate	4.09%	4.53%	4.79%	5.30%	5.78%
Purchase volume <sup>(8)</sup>	\$ 26,985	\$ 24,858	\$ 24,513	\$ 21,988	\$ 24,593
<b>International Card</b>					
<b>Earnings:</b>					
Net interest income	\$ 249	\$ 243	\$ 242	\$ 248	\$ 248
Non-interest income	78	96	99	100	103
Total revenue	\$ 327	\$ 339	\$ 341	\$ 348	\$ 351
Provision for loan and lease losses	84	83	90	79	171
Non-interest expense	121	134	133	105	110
Income from continuing operations before taxes	122	122	118	164	70
Income tax provision	35	35	33	47	21
Income from continuing operations, net of tax	\$ 87	\$ 87	\$ 85	\$ 117	\$ 49
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 7,522	\$ 7,487	\$ 7,269	\$ 7,578	\$ 8,224
Average loans held for investment	\$ 7,419	\$ 7,342	\$ 7,427	\$ 7,814	\$ 8,300
Loans held for investment yield	16.82%	16.62%	16.21%	15.66%	15.19%
Revenue margin	17.63%	18.47%	18.37%	17.81%	16.90%
Net charge-off rate	6.68%	7.60%	8.38%	8.83%	9.52%
30+ day performing delinquency rate	5.75%	5.84%	6.03%	6.39%	6.55%
Purchase volume <sup>(8)</sup>	\$ 2,394	\$ 2,181	\$ 2,057	\$ 1,936	\$ 2,273

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 10: Consumer Banking Segment Financial & Statistical Summary<sup>(1)</sup>**

<i>(dollars in millions) (unaudited)</i>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b>Consumer Banking</b>					
<b>Earnings:</b>					
Net interest income	\$ 950	\$ 946	\$ 935	\$ 896	\$ 833
Non-interest income	196	196	162	316	153
Total revenue	\$ 1,146	\$ 1,142	\$ 1,097	\$ 1,212	\$ 986
Provision for loan and lease losses	189	114	(112)	50	249
Non-interest expense	770	757	735	688	749
Income from continuing operations before taxes	187	271	474	474	(12)
Income tax provision (benefit)	67	96	169	169	(4)
Income (loss) from continuing operations, net of tax	\$ 120	\$ 175	\$ 305	\$ 305	\$ (8)
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 34,383	\$ 34,997	\$ 35,313	\$ 36,383	\$ 38,214
Average loans held for investment	\$ 34,751	\$ 35,090	\$ 35,660	\$ 38,245	\$ 39,114
Loans held for investment yield	9.20%	9.28%	8.99%	8.96%	8.83%
Auto loan originations	\$ 2,217	\$ 2,439	\$ 1,765	\$ 1,343	\$ 1,018
Period-end deposits	\$ 82,959	\$ 79,506	\$ 77,407	\$ 76,883	\$ 74,145
Average deposits	\$ 81,834	\$ 78,224	\$ 77,082	\$ 75,115	\$ 72,976
Deposit interest expense rate	1.13%	1.18%	1.18%	1.27%	1.41%
Core deposit intangible amortization	\$ 34	\$ 36	\$ 36	\$ 38	\$ 40
Net charge-off rate <sup>(3)</sup>	1.98%	1.79%	1.47%	2.03%	2.85%
Nonperforming loans as a percentage of loans held for investment <sup>(3)(4)</sup>	1.97%	1.92%	1.82%	1.62%	1.45%
Nonperforming asset rate <sup>(3)(4)</sup>	2.17%	2.11%	2.00%	1.76%	1.60%
30+ day performing delinquency rate <sup>(3)(4)</sup>	4.57%	4.40%	4.15%	4.13%	5.43%
Period-end loans serviced for others	\$ 20,689	\$ 20,298	\$ 21,425	\$ 26,778	\$ 30,283

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 11: Commercial Banking Segment Financial & Statistical Summary<sup>(1)</sup>**

<i>(dollars in millions) (unaudited)</i>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>
<b>Commercial Banking</b>					
<b>Earnings:</b>					
Net interest income	\$ 336	\$ 325	\$ 319	\$ 312	\$ 318
Non-interest income	49	30	60	42	38
Total revenue	<u>\$ 385</u>	<u>\$ 355</u>	<u>\$ 379</u>	<u>\$ 354</u>	<u>\$ 356</u>
Provision for loan and lease losses	34	95	62	238	368
Non-interest expense	<u>207</u>	<u>199</u>	<u>198</u>	<u>192</u>	<u>197</u>
Income (loss) from continuing operations before taxes	144	61	119	(76)	(209)
Income tax provision (benefit)	<u>51</u>	<u>22</u>	<u>42</u>	<u>(27)</u>	<u>(73)</u>
Income (loss) from continuing operations, net of tax	<u><u>\$ 93</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 77</u></u>	<u><u>\$ (49)</u></u>	<u><u>\$ (136)</u></u>
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 29,742	\$ 29,542	\$ 29,575	\$ 29,612	\$ 29,613
Average loans held for investment	\$ 29,617	\$ 29,435	\$ 29,533	\$ 29,723	\$ 29,867
Loans held for investment yield	5.13%	5.13%	4.94%	5.03%	5.11%
Period end deposits	\$ 22,630	\$ 22,100	\$ 21,527	\$ 21,605	\$ 20,480
Average deposits	\$ 22,808	\$ 21,899	\$ 22,171	\$ 21,859	\$ 19,420
Deposit interest expense rate	0.61%	0.67%	0.67%	0.72%	0.80%
Core deposit intangible amortization	\$ 13	\$ 14	\$ 14	\$ 14	\$ 14
Net charge-off rate <sup>(3)</sup>	1.43%	1.27%	1.21%	1.37%	2.91%
Nonperforming loans as a percentage of loans held for investment <sup>(3)</sup>	1.66%	1.81%	2.04%	2.48%	2.37%
Nonperforming asset rate <sup>(3)</sup>	1.80%	1.94%	2.20%	2.64%	2.52%

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 12: Other and Total Segment Financial & Statistical Summary<sup>(1)</sup>**

<i>(dollars in millions) (unaudited)</i>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>
<b>Other</b>					
<b>Earnings:</b>					
Net interest income (expense)	\$ (133)	\$ (93)	\$ (132)	\$ (91)	\$ (11)
Non-interest income (expense)	22	7	(74)	(14)	111
Total revenue	\$ (111)	\$ (86)	\$ (206)	\$ (105)	\$ 100
Provision for loan and lease losses	27	(2)	10	18	24
Restructuring expense <sup>(9)</sup>	-	-	-	-	32
Non-interest expense	58	62	65	53	27
Income (loss) from continuing operations before taxes	(196)	(146)	(281)	(176)	17
Income tax benefit	(98)	(119)	(143)	(151)	(21)
Income (loss) from continuing operations, net of tax	<u>\$ (98)</u>	<u>\$ (27)</u>	<u>\$ (138)</u>	<u>\$ (25)</u>	<u>\$ 38</u>
<b>Selected metrics:</b>					
Period end loans held for investment <sup>(2)</sup>	\$ 451	\$ 469	\$ 470	\$ 464	\$ 452
Average loans held for investment <sup>(2)</sup>	\$ 465	\$ 475	\$ 463	\$ 489	\$ 460
Period end deposits	\$ 16,621	\$ 17,606	\$ 18,397	\$ 19,299	\$ 21,184
Average deposits	\$ 17,094	\$ 18,132	\$ 19,231	\$ 20,556	\$ 22,202
<b>Total</b>					
<b>Earnings:</b>					
Net interest income	\$ 3,023	\$ 3,112	\$ 3,099	\$ 3,230	\$ 3,169
Non-interest income	939	904	807	1,062	1,199
Total revenue	\$ 3,962	\$ 4,016	\$ 3,906	\$ 4,292	\$ 4,368
Provision for loan and lease losses	839	867	725	1,481	1,845
Restructuring expense <sup>(9)</sup>	-	-	-	-	32
Non-interest expense	2,091	1,996	2,000	1,847	1,916
Income from continuing operations before taxes	1,032	1,153	1,181	964	575
Income tax provision	331	335	369	244	171
Income from continuing operations, net of tax	<u>\$ 701</u>	<u>\$ 818</u>	<u>\$ 812</u>	<u>\$ 720</u>	<u>\$ 404</u>
<b>Selected metrics:</b>					
Period end loans held for investment	\$ 125,947	\$ 126,334	\$ 127,255	\$ 130,265	\$ 136,803
Average loans held for investment	\$ 125,441	\$ 126,391	\$ 128,335	\$ 134,379	\$ 138,184
Period end deposits	\$ 122,210	\$ 119,212	\$ 117,331	\$ 117,787	\$ 115,809
Average deposits	\$ 121,736	\$ 118,255	\$ 118,484	\$ 117,530	\$ 114,598

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 13: Notes to Loan and Segment Disclosures (Tables 8 — 12)**

- (1) Prior to the January 1, 2010 adoption of the new consolidation accounting standards, management evaluated the financial performance of the Company and the results of each of its business segments on a non-GAAP "managed" basis. Our managed presentations assumed that our securitized loans had not been sold and that the earnings from securitized loans were classified in our results of operations in the same manner as the earnings on loans that we owned. The adoption of the new consolidation accounting standards resulted in the consolidation of the majority of the Company's credit card securitization trusts. As a result, the Company's reported and managed basis presentations are generally comparable for periods beginning after January 1, 2010, except for one securitization trust that remained unconsolidated during the first two quarters of 2010. The Company exercised its clean-up call option on this trust effective September 15, 2010, which resulted in the consolidation of \$93 million of loans underlying this trust in the third quarter of 2010. The accompanying Exhibit "Exhibit 99.3—Reconciliation of Non-GAAP Measures and Regulatory Capital Measures" presents a reconciliation of the Company's non-GAAP "managed" results to its reported results.
- (2) Other loans held for investment includes unamortized premiums and discounts on loans acquired as part of the North Fork and Hibernia.
- (3) The credit quality statistics excluding the impact of loans acquired from Chevy Chase Bank (CCB) are as follows.

<i>(in millions) (unaudited)</i>	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4
CCB period end acquired loan portfolio	\$ 5,532	\$ 5,891	\$ 6,381	\$ 6,799	\$ 7,251
CCB average acquired loan portfolio	\$ 5,633	\$ 6,014	\$ 6,541	\$ 7,037	\$ 7,512
<b>Net charge-off rates</b>					
Consumer banking:					
Home loan	1.46%	0.68%	0.77%	1.02%	1.24%
Retail banking	2.49%	2.29%	2.23%	2.22%	3.20%
Total consumer banking	<u>2.32%</u>	<u>2.11%</u>	<u>1.76%</u>	<u>2.28%</u>	<u>3.45%</u>
Commercial banking:					
Commercial and multifamily real estate	1.17%	1.81%	1.19%	1.48%	3.05%
Middle market	0.97%	0.44%	0.82%	0.87%	0.75%
Total commercial lending	<u>1.02%</u>	<u>1.14%</u>	<u>1.01%</u>	<u>1.48%</u>	<u>2.05%</u>
Total commercial banking	<u>1.45%</u>	<u>1.30%</u>	<u>1.24%</u>	<u>1.41%</u>	<u>2.93%</u>
<b>30+ day performing delinquency rates</b>					
Consumer banking:					
Home loan	1.06%	1.16%	1.14%	1.58%	2.18%
Retail banking	0.97%	1.12%	0.91%	1.07%	1.30%
Total consumer banking	<u>5.35%</u>	<u>5.19%</u>	<u>4.93%</u>	<u>4.95%</u>	<u>6.56%</u>
<b>Nonperforming asset rates</b>					
Consumer banking:					
Home loan	7.05%	6.83%	6.30%	5.36%	3.88%
Retail banking	2.77%	2.51%	2.37%	2.17%	2.23%
Total consumer banking	<u>2.54%</u>	<u>2.49%</u>	<u>2.38%</u>	<u>2.11%</u>	<u>1.93%</u>
Commercial banking:					
Commercial and multifamily real estate	2.28%	2.47%	2.90%	3.71%	3.34%
Middle market	1.36%	1.42%	1.25%	1.23%	1.13%
Total commercial lending	<u>1.79%</u>	<u>1.98%</u>	<u>2.16%</u>	<u>2.60%</u>	<u>2.39%</u>
Total commercial banking	<u>1.83%</u>	<u>1.98%</u>	<u>2.26%</u>	<u>2.72%</u>	<u>2.62%</u>
<b>Nonperforming loans as a percentage of loans held for investment</b>					
Consumer banking	2.30%	2.26%	2.16%	1.93%	1.75%
Commercial banking	1.69%	1.84%	2.09%	2.55%	2.43%

- (4) Includes nonaccrual consumer auto loans 90+ days past due.
- (5) Nonperforming assets consist of nonperforming loans and real estate owned ("REO") and foreclosed assets. The nonperforming asset ratios are calculated based on nonperforming assets for each segment divided by the combined total of loans held for investment, REO and foreclosed assets for each respective segment.
- (6) As permitted by regulatory guidance, the Company's policy is not to classify delinquent credit card loans as nonperforming. Instead, we continue to accrue finance charges and fees on credit card loans until the loan is charged off, typically when the account becomes 180 days past due. Billed finance charges and fees considered uncollectible are not recognized in income.
- (7) During Q4 2009, the Company reclassified small-ticket commercial real estate loans totaling \$128 million to loans held for sale from loans held for investment and recognized charge-offs of \$80 million.
- (8) Includes credit card purchase transactions net of returns. Excludes cash advance transactions.
- (9) In 2009, the Company completed its restructuring initiative that was initiated in 2007.

**CAPITAL ONE FINANCIAL CORPORATION (COF)**  
**Reconciliation of Non-GAAP Measures and Regulatory Capital Measures**

**Exhibit 99.3**

We refer to our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as our "reported" or GAAP financial statements. Effective January 1, 2010, we prospectively adopted two new consolidation accounting standards that resulted in the consolidation of the substantial majority of our securitization trusts that had been previously treated as off-balance sheet. Prior to our adoption of these new consolidation accounting standards, management evaluated the company's performance on a non-GAAP "managed" basis, which assumed that securitized loans were not sold and the earnings from securitized loans were classified in our results of operations in the same manner as the earnings from loans that we owned. We believed that our managed basis information is useful to investors because it portrays the results of both on- and off-balance sheet loans that we manage, which enables investors to understand and evaluate the credit risks associated with the portfolio of loans reported on our consolidated balance sheet and our retained interests in securitized loans. Our non-GAAP managed basis measures may not be comparable to similarly titled measures used by other companies.

As a result of the January 1, 2010 adoption of the new consolidation accounting standards, the accounting for the loans in our securitization trusts in our reported GAAP financial statements is similar to how we accounted for these loans on a managed basis prior to January 1, 2010. Consequently, we believe our managed basis presentations for periods prior to January 1, 2010 are generally comparable to our reported basis presentations for periods beginning after January 1, 2010. In periods prior to January 1, 2010, certain of our non-GAAP managed basis measures differed from our comparable reported measures because we assumed, for our managed basis presentation, that securitized loans that were accounted for as sales in our GAAP financial statements remained on our balance sheet.

The following tables, which are described below, provide a reconciliation of reported GAAP financial measures to the non-GAAP managed basis financial measures included in our filing. We also provide the details of the calculation of certain non-GAAP capital measures that management uses in assessing its capital adequacy.

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**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 1: Financial & Statistical Summary—Reported GAAP Measures<sup>(1)</sup>**

<i>(dollars in millions)(unaudited)</i>	2009					2008
	Full Year	Q4	Q3	Q2	Q1 <sup>(2)</sup>	Full Year
<b>Earnings</b>						
Net interest income	\$ 7,697	\$ 1,954	\$ 2,005	\$ 1,945	\$ 1,793	\$ 7,149
Non-interest income <sup>(3)</sup>	5,286	1,411	1,553	1,232 <sup>(4)</sup>	1,090	6,744
Total revenue <sup>(5)</sup>	\$ 12,983	\$ 3,365	\$ 3,558	\$ 3,177	\$ 2,883	\$ 13,893
Provision for loan and lease losses	4,230	844	1,173	934	1,279	5,101
<b>Balance Sheet Statistics (Period Average)</b>						
Average loans held for investment	\$ 99,787	\$ 94,732	\$ 99,354	\$ 104,682	\$ 103,242	\$ 98,971
Average earning assets	145,310	143,663	145,280	150,804	145,172	133,123
Average assets	171,598	169,856	173,428	177,628	168,489	156,292
Average liabilities	144,992	143,338	147,426	149,960	141,485	131,014
Return on average assets (ROA)	0.58 %	0.95 %	1.01 %	0.52 %	(0.20) %	0.05 %
<b>Balance Sheet Statistics (Period End)</b>						
Loans held for investment	\$ 90,619	\$ 90,619	\$ 96,714	\$ 100,940	\$ 104,921	\$ 101,018
Total assets	169,646	169,646	168,464	171,994	177,462	165,913
Total liabilities	143,057	143,057	142,272	146,662	150,714	139,301
Tangible assets <sup>(A)</sup>	155,516	155,516	154,315	157,782	163,230	153,410
Tangible common equity (TCE) ratio <sup>(B)</sup>	8.03 %	8.03 %	7.82 %	7.10 % <sup>(6)</sup>	5.75 %	7.18 %
<b>Performance Statistics</b>						
Net interest income growth (quarter over quarter) <sup>(7)</sup>	8 %	(3) %	3 %	8 %	(1) %	9 %
Non-interest income growth(quarter over quarter) <sup>(7)</sup>	(22) %	(9) %	26 %	13 %	(20) %	(16) %
Revenue growth (quarter over quarter)	(7) %	(5) %	12 %	10 %	(9) %	(5) %
Net interest margin	5.30 %	5.44 %	5.52 %	5.16 %	4.94 %	5.37 %
Revenue margin	8.94 %	9.37 %	9.80 %	8.43 %	7.94 %	10.44 %
Risk-adjusted margin <sup>(C)</sup>	5.79 %	6.07 %	6.69 %	5.46 %	4.81 %	7.83 %
Non-interest expense as a % of average loans held for investment (annualized)	7.43 %	8.23 %	7.25 %	7.34 %	6.76 %	8.30 %
Efficiency ratio <sup>(D)</sup>	56.21 %	56.92 %	49.92 %	59.11 %	59.93 %	58.13 %
<b>Credit Quality Statistics</b>						
Net charge-offs	\$ 4,568	\$ 1,185	\$ 1,128	\$ 1,117	\$ 1,138	\$ 3,478
Net charge-off rate <sup>(8)</sup>	4.58 %	5.00 %	4.54 %	4.28 %	4.41 %	3.51 %
30+ day performing delinquencies	\$ 3,746	\$ 3,746	\$ 3,983	\$ 3,746	\$ 3,834	\$ 4,418
30+ day performing delinquency rate <sup>(8)</sup>	4.13 %	4.13 %	4.12 %	3.71 %	3.65 %	4.37 %

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 2: Financial & Statistical Summary—Non-GAAP Securitization Reconciliation Adjustments**

<i>(dollars in millions)(unaudited)</i>	2009					2008
	Full Year	Q4	Q3	Q2	Q1	Full Year
<b>Earnings</b>						
Net interest income	\$ 4,392	\$ 1,216	\$ 1,207	\$ 1,012	\$ 957	\$ 4,273
Non-interest income	(539)	(213)	(180)	(42)	(104)	(1,327)
Total revenue	3,853	1,003	1,027	970	853	2,946
Provision for loan and lease losses	3,853	1,003	1,027	970	853	2,946
<b>Balance Sheet Statistics (Period Average)</b>						
Average loans held for investment	\$ 43,727	\$ 43,452	\$ 44,186	\$ 43,331	\$ 43,940	\$ 48,841
Average earning assets	40,666	40,236	40,594	40,404	41,442	46,264
Average assets	41,060	40,569	41,227	40,774	41,680	47,262
Average liabilities	41,060	40,569	41,227	40,774	41,680	47,262
Return on average assets (ROA)	(0.12) %	(0.18) %	(0.20) %	(0.10) %	0.04 %	(0.01) %
<b>Balance Sheet Statistics (Period End)</b>						
Loans held for investment	\$ 46,184	\$ 46,184	\$ 44,275	\$ 45,177	\$ 44,809	\$ 45,919
Total assets	42,743	42,743	41,219	42,184	42,496	43,962
Total liabilities	42,767	42,767	41,219	42,184	42,496	43,961
Tangible assets <sup>(A)</sup>	42,767	42,767	41,251	42,230	42,526	43,927
Tangible common equity (TCE) ratio <sup>(B)</sup>	(1.73) %	(1.73) %	(1.65) %	(1.50) %	(1.19) %	(1.61) %
<b>Performance Statistics</b>						
Net interest income growth	(2) %	2 %	6 %	- %	- %	(5) %
Non-interest income growth	10 %	(4) %	(11) %	8 %	3 %	10 %
Revenue growth	7 %	- %	(1) %	1 %	4 %	5 %
Net interest margin	1.20 %	1.46 %	1.39 %	1.03 %	0.95 %	1.00 %
Revenue margin	0.11 %	0.13 %	0.07 %	0.25 %	0.07 %	(1.05) %
Risk-adjusted margin <sup>(C)</sup>	(1.26) %	(1.33) %	(1.46) %	(1.15) %	(1.07) %	(2.02) %
Non-interest expense as a % of average loans held for investment (annualized)	(2.26) %	(2.59) %	(2.23) %	(2.15) %	(2.02) %	(2.75) %
Efficiency ratio <sup>(D)</sup>	(12.86) %	(13.07) %	(11.19) %	(13.82) %	(13.68) %	(10.17) %
<b>Credit Quality Statistics</b>						
Net charge-offs	\$ 3,853	\$ 1,003	\$ 1,027	\$ 970	\$ 853	\$ 2,947
Net charge-off rate	1.29 %	1.33 %	1.46 %	1.36 %	1.00 %	0.84 %
30+ day performing delinquencies	\$ 2,719	\$ 2,719	\$ 2,434	\$ 2,241	\$ 2,312	\$ 2,178
30+ day performing delinquency rate	0.60 %	0.60 %	0.43 %	0.39 %	0.45 %	0.12 %

**CAPITAL ONE FINANCIAL CORPORATION (COF)**

**Table 3: Financial & Statistical Summary—Non-GAAP Managed Basis Measures<sup>(1)(9)</sup>**

<i>(dollars in millions)(unaudited)</i>	2009					2008
	Full Year	Q4	Q3	Q2	Q1 <sup>(2)</sup>	Full Year
<b>Non-GAAP Managed Earnings</b>						
Net interest income	\$ 12,089	\$ 3,170	\$ 3,212	\$ 2,957	\$ 2,750	\$ 11,422
Non-interest income <sup>(3)</sup>	4,747	1,198	1,373	1,190 <sup>(4)</sup>	986	5,417
Total revenue <sup>(5)</sup>	16,836	4,368	4,585	4,147	3,736	16,839
Provision for loan and lease losses	8,083	1,847	2,200	1,904	2,132	8,047
<b>Non-GAAP Managed Balance Sheet Statistics (Period Average)</b>						
Average loans held for investment	\$ 143,514	\$ 138,184	\$ 143,540	\$ 148,013	\$ 147,182	\$ 147,812
Average earning assets	185,976	183,899	185,874	191,208	186,614	179,387
Average assets	212,657	210,425	214,655	218,402	210,169	203,554
Average liabilities	186,052	183,907	188,653	190,734	183,165	178,276
Return on average assets (ROA)	0.46 %	0.77 %	0.81 %	0.42 %	(0.16) %	0.04 %
<b>Non-GAAP Managed Balance Sheet Statistics (Period End)</b>						
Loans held for investment	\$ 136,803	\$ 136,803	\$ 140,990	\$ 146,117	\$ 149,730	\$ 146,937
Total assets	212,389	212,389	209,683	214,178	219,958	209,875
Total liabilities	185,824	185,824	183,491	188,846	193,210	183,262
Tangible assets <sup>(A)</sup>	198,283	198,283	195,566	200,012	205,756	197,337
Tangible common equity (TCE) ratio <sup>(B)</sup>	6.30 %	6.30 %	6.17 %	5.60 % <sup>(6)</sup>	4.56 %	5.57 %
<b>Non-GAAP Managed Performance Statistics</b>						
Net interest income growth (quarter over quarter) <sup>(7)</sup>	6 %	(1) %	9 %	8 %	(1) %	4 %
Non-interest income growth(quarter over quarter) <sup>(7)</sup>	(12) %	(13) %	15 %	21 %	(17) %	(6) %
Revenue growth (quarter over quarter)	— %	(5) %	11 %	11 %	(5) %	— %
Net interest margin	6.50 %	6.90 %	6.91 %	6.19 %	5.89 %	6.37 %
Revenue margin	9.05 %	9.50 %	9.87 %	8.68 %	8.01 %	9.39 %
Risk-adjusted margin <sup>(C)</sup>	4.53 %	4.74 %	5.23 %	4.31 %	3.74 %	5.81 %
Non-interest expense as a % of average loans held for investment (annualized)	5.17 %	5.64 %	5.02 %	5.19 %	4.74 %	5.55 %
Efficiency ratio <sup>(D)</sup>	43.35 %	43.85 %	38.73 %	45.29 %	46.25 %	47.96 %
<b>Non-GAAP Managed Credit Quality Statistics</b>						
Net charge-offs	\$ 8,421	\$ 2,188	\$ 2,155	\$ 2,087	\$ 1,991	\$ 6,425
Net charge-off rate <sup>(8)</sup>	5.87 %	6.33 %	6.00 %	5.64 %	5.41 %	4.35 %
30+ day performing delinquencies	6,465	6,465	6,417	5,987	6,146	6,596
30+ day performing delinquency rate <sup>(8)</sup>	4.73 %	4.73 %	4.55 %	4.10 %	4.10 %	4.49 %

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### Table 4: Explanatory Notes (Tables 1 - 3)

#### Notes

- (1) Based on continuing operations.
- (2) Effective February 27, 2009, the Company acquired Chevy Chase Bank, FSP for \$476 million, which included a cash payment of \$445 million and the issuance of 2.6 million common shares valued at \$31 million. The acquisition of Chevy Chase Bank included \$10 billion in loans and \$13.6 billion in deposits.
- (3) Includes the impact from the change in fair value of retained interests, including interest-only strips, totaling \$(146) million for the year 2009, \$55 million in Q4 2009, \$38 million in Q3 2009, \$(115) million in Q2 2009 and \$(124) million in Q1 2009, and \$(260) million in 2008.
- (4) In Q2 2009, the Company elected to convert and sell 404,508 shares of MasterCard class B common stock, which resulted in the recognition of a gain of \$66 million that was recorded in non-interest income.
- (5) Billed finance charges and fees not recognized in revenue totaled \$2.1 billion for the year 2009, \$490 million in Q4 2009, \$517 million in Q3 2009, \$572 million in Q2 2009, \$544 million in Q1 2009, and \$1.9 billion in 2008.
- (6) Includes the impact of the issuance of 56,000,000 common shares at \$27.75 per share on May 14, 2009.
- (7) Prior period amounts have been reclassified to conform to the current period presentation and adjusted to reflect purchase accounting refinements related to the acquisition of Chevy Chase Bank, FSB ("CCB").
- (8) The denominator used in calculating the allowance as a % of loans held for investment, the net charge-off rate and the 30+ day performing delinquency rate include loans acquired as part of the CCB acquisition. These metrics, calculated excluding CCB loans, are presented below.

<i>(dollars in millions) (unaudited)</i>	2009				
	Full Year	Q4	Q3	Q2	Q1
CCB period end acquired loan portfolio	\$ 7,251	\$ 7,251	\$ 7,885	\$ 8,644	\$ 8,859
CCB average acquired loan portfolio	\$ 7,996	\$ 7,512	\$ 8,029	\$ 8,499	\$ 3,073
Allowance as a % of loans held for investment, excluding CCB	4.95%	4.95%	5.08%	4.86%	4.84%
Net charge-off rate (Reported), excluding CCB	4.98%	5.44%	4.94%	4.65%	4.54%
Net charge-off rate (Managed), excluding CCB	6.21%	6.70%	6.36%	5.98%	5.53%
30+ day performing delinquency rate (Reported), excluding CCB	4.49%	4.49%	4.48%	4.06%	3.99%
30+ day performing delinquency rate (Managed), excluding CCB	4.99%	4.99%	4.82%	4.36%	4.36%

- (9) The managed loan portfolio does not include automobile or home loans that have been sold in whole loan sale transactions where the Company has retained servicing rights.

#### Statistical/Metric Calculations

- (A) Tangible assets represents total assets from continuing operations less identifiable intangible assets and goodwill. See "Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures".
- (B) Tangible common equity ("TCE") represents common stockholders' equity (total stockholders' equity less preferred stock) less identifiable intangible assets and goodwill. See "Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures".
- (C) Calculated based on total revenue less net charge-offs divided by average earning assets.
- (D) Calculated based on non-interest expense less restructuring expense divided by total revenue.

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**Table 5: Reconciliation of Non-GAAP Average Balances, Net Interest Income and Net Interest Margin<sup>(1)</sup>**

	Quarter Ended 12/31/09			Year Ended 12/31/09		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
<i>(dollars in millions)(unaudited)</i>						
<b>Reported Basis</b>						
Interest-earning assets:						
Loans held for investment	\$ 133,219	\$ 2,512	7.54%	\$ 136,697	\$ 10,367	7.58%
Other	10,444	83	3.18%	8,596	297	3.46%
Total interest-earning assets	\$ 143,663	\$ 2,595	7.23%	\$ 145,293	\$ 10,664	7.34%
Interest-bearing liabilities:						
Securitization liability	\$ 4,249	\$ 54	5.08%	\$ 5,516	\$ 282	5.11%
Total interest-bearing liabilities	\$ 124,060	\$ 641	2.07%	\$ 126,583	\$ 2,967	2.34%
Net interest income/spread		\$ 1,954	5.16%		\$ 7,697	5.00%
Interest income to average interest-earning assets			7.23%			7.34%
Interest expense to average interest-earning assets			1.78%			2.04%
Net interest margin			5.45%			5.30%
<b>Non-GAAP Securitization Reconciliation Adjustments</b>						
Interest-earning assets:						
Loans held for investment	\$ 43,452	\$ 1,530	1.61%	\$ 43,727	\$ 5,678	1.31%
Other	(3,216)	(66)	(2.24)%	(3,061)	(229)	(2.23)%
Total interest-earning assets	\$ 40,236	\$ 1,464	1.60%	\$ 40,666	\$ 5,449	1.32%
Interest-bearing liabilities:						
Securitization liability	\$ 40,588	\$ 247	(2.39)%	\$ 41,100	\$ 1,055	(2.24)%
Total interest-bearing liabilities	\$ 40,588	\$ 247	0.09%	\$ 41,101	\$ 1,238	0.17%
Net interest income/spread		\$ 1,216	1.51%		\$ 4,392	1.16%
Interest income to average interest-earning assets			1.60%			1.32%
Interest expense to average interest-earning assets			0.15%			0.22%
Net interest margin			1.45%			1.10%
<b>Non-GAAP Managed Basis</b>						
Interest-earning assets:						
Loans held for investment	\$ 176,671	\$ 4,042	9.15%	\$ 180,424	\$ 16,045	8.89%
Other	7,228	17	0.94%	5,535	68	1.23%
Total interest-earning assets	\$ 183,899	\$ 4,059	8.83%	\$ 185,959	\$ 16,113	8.66%
Interest-bearing liabilities:						
Securitization liability	\$ 44,837	\$ 301	2.69%	\$ 46,616	\$ 1,337	2.87%
Total interest-bearing liabilities	\$ 164,648	\$ 888	2.16%	\$ 167,684	\$ 4,205	2.51%
Net interest income/spread		\$ 3,170	6.67%		\$ 12,089	6.16%
Interest income to average interest-earning assets			8.83%			8.66%
Interest expense to average interest-earning assets			1.93%			2.26%
Net interest margin			6.90%			6.40%

<sup>(1)</sup> Reflects amounts based on continuing operations.

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**Table 6: Reconciliation of Non-GAAP Capital Measures and Calculation of Regulatory Capital Measures**

In addition to disclosing required regulatory measures, the Company also reports certain non-GAAP capital measures that management uses in assessing its capital adequacy. These non-GAAP measures include average tangible common equity, tangible common equity (TCE), TCE ratio, Tier 1 common equity and Tier 1 common equity ratio. The table below provides the details of the calculation of each of these measures. While these non-GAAP capital measures are widely used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies, they may not be comparable to similarly titled measures reported by other companies.

<i>(dollars in millions)(unaudited)</i>	<b>2010 Q4</b>	<b>2010 Q3</b>	<b>2010 Q2</b>	<b>2010 Q1</b>	<b>2009 Q4</b>
<b>Average Equity to Non-GAAP Average Tangible Common Equity</b>					
Average total stockholders' equity	\$ 26,255	\$ 25,307	\$ 24,526	\$ 23,681	\$ 26,518
Less: Average preferred stock	-	-	-	-	-
Less: Average intangible assets <sup>(1)</sup>	(14,008)	(14,003)	(14,039)	(14,075)	(14,105)
Average tangible common equity	<u>\$ 12,247</u>	<u>\$ 11,304</u>	<u>\$ 10,487</u>	<u>\$ 9,606</u>	<u>\$ 12,413</u>
<b>Stockholders Equity to Non-GAAP Tangible Common Equity</b>					
Total stockholders' equity	\$ 26,541	\$ 26,061	\$ 25,270	\$ 24,374	\$ 26,589
Less: Preferred stock	-	-	-	-	-
Less: Intangible assets <sup>(1)</sup>	(13,983)	(14,024)	(14,011)	(14,044)	(14,106)
Tangible common equity	<u>\$ 12,558</u>	<u>\$ 12,037</u>	<u>\$ 11,259</u>	<u>\$ 10,330</u>	<u>\$ 12,483</u>
<b>Total Assets to Tangible Assets</b>					
Total assets	\$ 197,503	\$ 196,933	\$ 197,489	\$ 200,707	\$ 169,646
Less: Assets from discontinued operations	(362)	(5)	(4)	(16)	(24)
Total assets from continuing operations	197,141	196,928	197,485	200,691	169,622
Less: Intangible assets <sup>(1)</sup>	(13,983)	(14,024)	(14,011)	(14,044)	(14,106)
Tangible assets	<u>\$ 183,158</u>	<u>\$ 182,904</u>	<u>\$ 183,474</u>	<u>\$ 186,647</u>	<u>\$ 155,516</u>
<b>Non-GAAP TCE Ratio</b>					
Tangible common equity	\$ 12,558	\$ 12,037	\$ 11,259	\$ 10,330	\$ 12,483
Tangible assets	\$ 183,158	\$ 182,904	\$ 183,474	\$ 186,647	\$ 155,516
TCE ratio <sup>(2)</sup>	6.86 %	6.58 %	6.14 %	5.53 %	8.03 %
<b>Non-GAAP Managed Basis TCE Ratio</b>					
Total reported assets	\$ 197,503	\$ 196,933	\$ 197,489	\$ 200,707	\$ 169,646
Plus: Securitization adjustment <sup>(3)</sup>	-	-	-	-	42,767
Total managed assets	\$ 197,503	\$ 196,933	\$ 197,489	\$ 200,707	\$ 212,413
Less: Assets from discontinued operations	(362)	(5)	(4)	(16)	(24)
Total assets from continuing operations	197,141	196,928	197,485	200,691	212,389
Less: Intangible assets <sup>(1)</sup>	(13,983)	(14,024)	(14,011)	(14,044)	(14,106)
Managed tangible assets	<u>\$ 183,158</u>	<u>\$ 182,904</u>	<u>\$ 183,474</u>	<u>\$ 186,647</u>	<u>\$ 198,283</u>
Tangible common equity	\$ 12,558	\$ 12,037	\$ 11,259	\$ 10,330	\$ 12,483
Managed tangible assets	\$ 183,158	\$ 182,904	\$ 183,474	\$ 186,647	\$ 198,283
Managed TCE ratio <sup>(2)</sup>	6.86 %	6.58 %	6.14 %	5.53 %	6.30 %
<b>Non-GAAP Tier 1 Common Equity and Regulatory Capital Ratios</b>					
Total stockholders' equity	\$ 26,541	\$ 26,061	\$ 25,270	\$ 24,374	\$ 26,589
Less: Net unrealized (gains) losses on AFS securities recorded in AOCI <sup>(4)</sup>	(368)	(580)	(661)	(319)	(200)
Net (gains) losses on cash flow hedges recorded in AOCI <sup>(4)</sup>	86	79	73	80	92
Disallowed goodwill and other intangible assets	(13,953)	(13,993)	(14,023)	(14,078)	(14,125)
Disallowed deferred tax assets	(1,150)	(1,324)	(1,977)	(2,183)	-
Other	(2)	(2)	(2)	(1)	(9)
Tier 1 common equity	\$ 11,154	\$ 10,241	\$ 8,680	\$ 7,873	\$ 12,347
Plus: Tier 1 restricted core capital items <sup>(5)</sup>	3,636	3,636	3,637	3,638	3,642
Tier 1 capital	\$ 14,790	\$ 13,877	\$ 12,317	\$ 11,511	\$ 15,989
Plus: Long-term debt qualifying as Tier 2 capital	2,827	2,827	2,898	3,018	3,018
Qualifying allowance for loan and lease losses	3,748	3,726	5,836	5,802	1,581
Other Tier 2 components	29	24	25	4	4
Tier 2 capital	\$ 6,604	\$ 6,577	\$ 8,759	\$ 8,824	\$ 4,603
Total risk-based capital <sup>(6)</sup>	<u>\$ 21,394</u>	<u>\$ 20,454</u>	<u>\$ 21,076</u>	<u>\$ 20,335</u>	<u>\$ 20,592</u>
Risk-weighted assets <sup>(7)</sup>	<u>\$ 127,043</u>	<u>\$ 124,726</u>	<u>\$ 124,038</u>	<u>\$ 120,330</u>	<u>\$ 116,309</u>
Tier 1 common equity ratio <sup>(8)</sup>	8.78 % <sup>(11)</sup>	8.21 %	7.00 %	6.54 %	10.62 %
Tier 1 risk-based capital ratio <sup>(9)</sup>	11.64 % <sup>(11)</sup>	11.13 %	9.93 %	9.57 %	13.75 %
Total risk-based capital ratio <sup>(10)</sup>	16.84 % <sup>(11)</sup>	16.40 %	16.99 %	16.90 %	17.70 %

(1) Includes impact from related deferred taxes.

(2) Calculated based on tangible common equity divided by tangible assets. The managed TCE ratio, which is the same as the TCE ratio for periods subsequent to January 1, 2010, is calculated based on tangible common equity divided by managed tangible assets.

(3) Reflects the adjustment to reported total consolidated assets to reflect loans underlying off-balance sheet securitized trusts in the same manner as on-balance sheet loans.

(4) Amounts presented are net of tax.

(5) Consists primarily of trust preferred securities.

(6) Total risk-based capital equals the sum of Tier 1 capital and Tier 2 capital.

(7) Calculated based on prescribed regulatory guidelines.

(8) Tier 1 common equity ratio is a non-GAAP measure calculated based on Tier 1 common equity divided by risk-weighted assets.

(9) Tier 1 risk-based capital ratio is a regulatory capital measure calculated based on Tier 1 capital divided by risk-weighted assets.

(10) Total risk-based capital ratio is a regulatory capital measure calculated based on Total risk-based capital divided by risk-weighted assets.

(11) Regulatory capital ratios as of the end of Q4 2010 are preliminary and therefore subject to change once the calculations have been finalized.